

Hearing Date and Time: December 15, 2010 at 10:00 a.m.

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and Deutsche Bank National Trust Company,
each in its role as Trustee, Indenture Trustee,
Supplemental Interest Trust Trustee, or Cap Trustee*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
LEHMAN BROTHERS HOLDINGS, INC., <u>et al.</u> ,)	Chapter 11
Debtors.)	Case No. 08-13555 (JMP)
)	Jointly Administered
)	

**STATEMENT OF DEUTSCHE BANK TRUST
COMPANY AMERICAS AND DEUTSCHE BANK NATIONAL
TRUST COMPANY RELATIVE TO DEBTORS' MOTION FOR AUTHORIZATION,
PURSUANT TO SECTIONS 363 AND 365 OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 6006, TO ASSUME AND ASSIGN INTEREST RATE
SWAP AGREEMENTS WITH CERTAIN TRUST COUNTERPARTIES, INCLUDING
DEUTSCHE BANK NATIONAL TRUST COMPANY, AS INDENTURE TRUSTEE,
AND TO ENTER INTO NEW INTEREST RATE SWAP AGREEMENTS**

Deutsche Bank Trust Company Americas and Deutsche Bank National Trust Company
each in its role as Trustee, Indenture Trustee, Supplemental Interest Trust Trustee, and/or Cap

Trustee (collectively, in such capacities, the “Trustees”),¹ by and through their counsel, Nixon Peabody LLP, hereby submit this statement (the “Statement”) regarding the Motion (the “Motion”) of Lehman Brothers Special Financing Inc. (“LBSF”) and Lehman Brothers Financial Products Inc. (“LBFP” and, together with LBSF and Lehman Brothers Holdings Inc. and its affiliated debtors in the above referenced chapter 11 cases, the “Debtors”) for authorization, pursuant to sections 363 and 365 of the Bankruptcy Code and Bankruptcy Rule 6006, to assume and assign interest rate swap agreements with certain trust counterparties, including Deutsche Bank National Trust Company, as indenture trustee, and to enter into new interest rate swap agreements. In support of their Statement, the Trustees state as follows:²

STATEMENT

1. Since the Commencement Date, the Trust Counterparties have not made payments under the Swap Agreements, and instead have escrowed or otherwise set aside amounts that the Debtors claim are due.
2. On November 17, 2010, the Trustees gave noteholders and certificateholders notice of the Motion and of the Debtors’ intention to assume and cure the Swap Agreements by sending notice through the Depository Trust & Clearing Corporation’s Legal Notice System (“LENS”).

¹ In submitting this Statement, Deutsche Bank National Trust Company acts in the following capacities: (i) as Trustee and Supplemental Interest Trust Trustee for IMPAC 2006-3 under the Pooling and Servicing Agreement dated as of September 1, 2006; (ii) as Trustee and Supplemental Interest Trust Trustee for IMPAC 2007-3 under the Pooling and Servicing Agreement dated as of April 1, 2007; and (iii) as Trustee and Cap Trustee for First Franklin Mortgage Loan Trust 2006-FF8 the Pooling and Servicing Agreement and Cap Allocation Agreement. Deutsche Bank Trust Company Americas acts as Indenture Trustee for Harbourview CDO III, Ltd. under the Indenture dated as of April 24, 2001.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

3. Since the filing of the Motion, the Trustees have worked with the Debtors to resolve cure and other issues regarding the proposed assumptions.³ As a result of these negotiations, the Trustees and Debtors have agreed on a revised form of proposed order. *See Notice of Filing of Revised Order Authorizing LBSF and LBFP, Pursuant to Sections 363 and 365 of the Bankruptcy Code and Bankruptcy Rule 6006, to Assume and Assign Interest Rate Swap Agreements with Certain Trust Counterparties, Including Deutsche Bank National Trust Company, as Indenture Trustee, and to Enter into New Interest Rate Swap Agreements* [Dkt. No. 13441]. As a result of the modifications and the agreements with regard to the proposed form of order, the Trustees are not objecting to the Motion. In order to provide further notice to noteholders and certificateholders, the Trustees will provide notice of the revised proposed order through LENS concurrently with the filing of the Statement.

³ The Debtors have extended the deadline for the Trustees to object to the Motion so that a consensual resolution of potentially disputed issues could be reached. The Trustees reserve their rights to object to the relief sought in the Motion in the event that the revised form of order is not acceptable.

Dated: New York, New York
December 13, 2010

Respectfully Submitted,

By: /s/ Christopher M. Desiderio

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